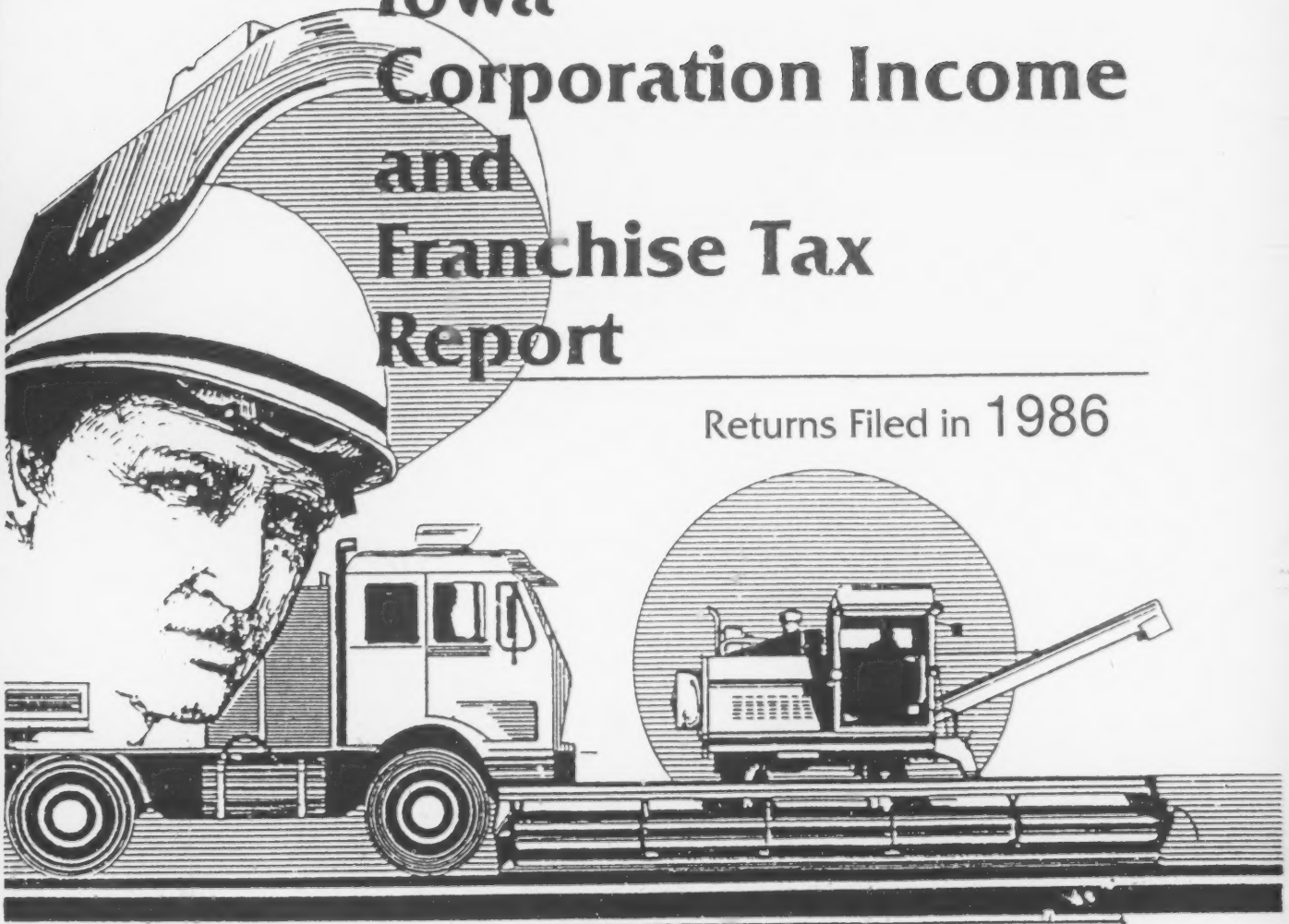
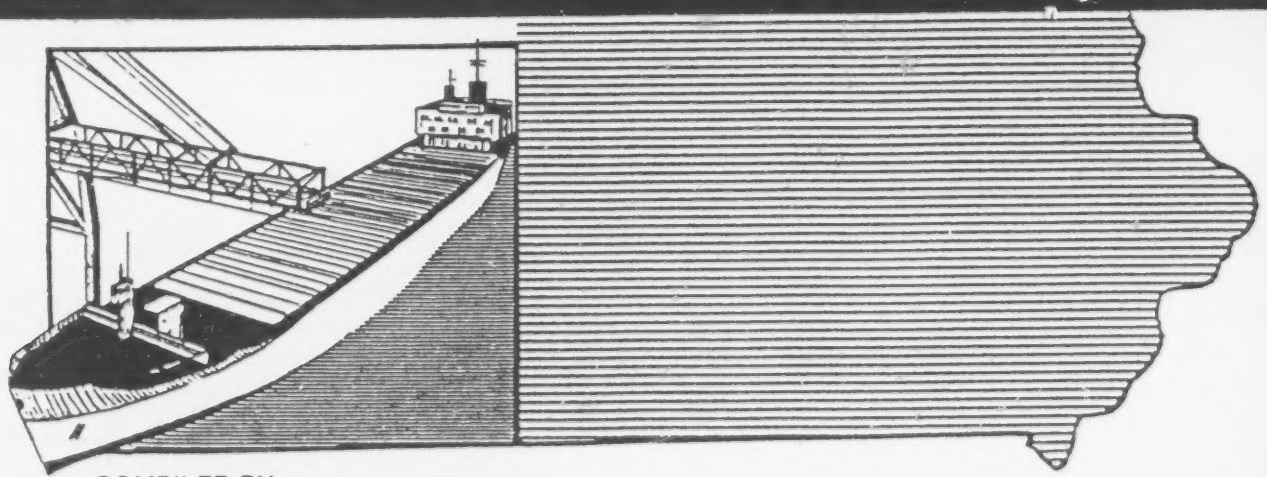
Iowa Corporation Income and Franchise Tax Report

Returns Filed in 1986





COMPILED BY
STATE OF IOWA
DEPARTMENT OF REVENUE & FINANCE
INFORMATION & MANAGEMENT SERVICES DIVISION
HOOVER STATE OFFICE BUILDING
DES MOINES 50319

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INTRODUCTION

The 1986 report on corporation income and franchise taxes consists of two major sections. The first contains a brief summary of 1986 corporation and franchise returns and the taxes paid. The second is an appendix containing a summary of corporate income tax, franchise tax law and statistical tables.

NOTE

This report does not contain $20.8 million of corporation income tax collected during Iowa's Tax Amnesty Program during 1986.

IOWA CORPORATION INCOME TAX

AND FRANCHISE TAX

SUMMARY OF 1986 CORPORATION AND FRANCHISE RETURNS AND TAXES PAID

The Department of Revenue and Finance has completed analysis of approximately 47,000 corporate income tax returns and 700 franchise tax returns filed during calendar year 1986. The total corporate liability was $129.4 million and the total franchise tax was $12.8 million.

During calendar year 1986, 718 financial institutions filed franchise tax returns. During the same period a total of $12.8 million in tax was reported by 440 taxpayers (Table A). In comparison, in 1985, 742 taxpayers reported $13.8 million in Iowa franchise tax.

TABLE A

Number of Franchise Tax Returns
and Computed Tax by Taxable Income
Calendar 1986
(Millions of Dollars)

Taxable Income	Number of Returns	Percentage Distribution	Computed Tax	Distribution
$ 0-$100,000	57	12.94%	$ 155	1.21%
$100,000-$500,000	263	59.77	3,495	27.22
Over $500,000	120	27.27	9,182	71.57
	440	100.00%	$ 12,842	100.00%

Corporations filed 16,624 pay returns or 35 percent of total corporate returns (See Table B & C). The balance of the returns were filed by 20,799 corporations which had no liability and 9,859 subchapter S firms.

TABLE B
Number of Corporate Returns by Payment Status
For Residents and Nonresidents

	Resident		Nonresident		Total	
Type of Return	No. of Returns	% of Total	No. of Returns	% of Total	No. of Returns	% of Total
Pay	13,548	34.72%	3,076	37.24%	16,624	35.16%
No-Pay	16,229	41.59	4,570	55.32	20,799	43.99
Subchapter S	9,244	23.69	615	7.44	9,859	20.85
	39,021	100.00%	8,261	100.00%	47,282	100.00%

Some of the other significant points of the analysis are as follows:

- Returns filed by Iowa corporations represent 83 percent of total pay returns while their tax liability was approximately 46 percent of total liability. Nonresident corporations on the other hand filed 17 percent of all returns and their tax liability was approximately 54 percent of the total. The average tax liability for nonresidents was $22,552 compared to $4,429 for residents.

- Approximately 60% of the $129.4 million in Iowa corporate income tax liability was paid by approximately 1 percent of the corporations filing returns (See Table C). More specifically, 208 corporations reported tax liability of $84.0 million.

TABLE C
Total Corporation Pay Returns
and Income Tax Paid by
Taxable Income Brackets

Taxable Income	Number of Returns	% of Total	Computed Tax	% of Total
$ 0-$ 25,000	10,823	65.11%	$ 5,423,348.94	4.19%
$ 25,000-$ 100,000	4,493	27.03	15,177,509.60	11.73
$100,000-$ 500,000	1,011	6.08	18,887,444.96	14.60
$500,000-$1,000,000	152	0.91	11,850,082.12	9.16
$1,000,000 and over	145	0.87	78,039,185.58	60.32
	16,624	100.00%	$129,377,571.20	100.00%

- The total taxes paid in 1986 were $129.4 million or an average of $7,782.58 per return. This represents a decrease from 1985 when total taxes were $146.8 million or an average tax of $8,552.83

- Approximately 65 percent of taxable returns were filed by corporations having taxable income of less than $25,000 and subject to the lowest tax rate of 6 percent (See Table C). These taxpayers had an average tax of approximately $501 and paid only 4.19 percent of the total corporation income tax.

- Apportioning corporations, those that do business within and without the state, have the largest share of liability for the states corporate income tax. For tax returns filed in 1986, these 4,151 apportioning corporations reported total state taxes of $93.2 million or 72 percent of the total corporate tax liability (See Table D).

TABLE D

Number of Pay Returns and Computed Tax
For Apportioning and Nonapportioning
1986 Returns

Return Type	Number	% Dist.	Computed Tax	% Dist.
Apportioning	4,151	24.97%	93.2	72.02%
Nonapportioning	12,473	75.03%	36.2	27.98
Total	16,624	100.00%	129.4	100.00%

- When returns are classified by their principal business activity, two business groups account for approximately 60 percent of total corporate tax liability (See Statistical Appendix, Table 4). The largest group is Manufacturing with total tax of $46.4 million, followed by Utilities and Transportation with $26.7 million.

- Taxable income for federal purposes on the 16,624 pay returns was $68.2 billion (See Statistical Appendix, Table 4). In comparison, these corporations reported a taxable income for Iowa tax purposes of $1.3 billion. The difference in taxable income reflects various deductions allowed for Iowa tax purposes including the deduction of 50 percent of federal tax liability and the provision which allows corporations to compute tax on only that portion of their income which is attributable to Iowa.

STATISTICAL

APPENDIX

TABLE 1

SUMMARY OF CORPORATION INCOME TAX LAW

A corporate income tax is imposed annually upon each corporation organized under the laws of this state and upon every foreign corporation doing business in this state, except certain organizations exempted from the tax under Section 422.34, Code of Iowa, such as financial institutions, insurance companies, and non-profit organizations. If a corporation conducts all of its business or trade within the state, the tax is imposed upon its entire net income. If the corporation conducts its business partly within and partly without the state, the tax is imposed only on that portion of its net income attributable to the state.

Allocation and Apportionment of Income

Net income subject to taxation in Iowa is determined as follows:

1. Allocation - Interest, dividends, rents and royalties received in connection with business in the state, shall be allocated to the state, and where received in connection with business outside the state, shall be allocated outside of the state.
2. Apportionment - The net income from the manufacture or sale of tangible personal property is apportioned to Iowa by the ratio of gross sales from goods delivered or shipped to a purchaser within the state regardless of F.O.B. point or other conditions of the sale, excluding deliveries for transportation out of the state, to the total gross sales of the corporation. Net business income from sources other than the manufacture or sale of tangible personal property is apportioned to Iowa by the ratio of the gross receipts within Iowa to the total gross receipts. Certain corporations compute their Iowa gross receipts by applying a secondary ratio, e.g. trackage, mileage, traffic units, to the total gross receipts.

Iowa Taxable Income

Iowa taxable income for income reported on these returns is defined as net income properly computed for federal income tax purposes:

1. Less interest and dividends from federal securities.
2. Less 50 percent of the federal income taxes paid or accrued during the tax year, adjusted by any federal income tax refunds received.
3. Less any net operating loss deduction computed in the same manner as for federal income tax purposes with certain Iowa adjustments.
4. Plus interest and dividends from foreign securities and from securities of state and other political subdivisions exempt from federal income tax.
5. Plus any Iowa income tax deducted in computing taxable income for federal income tax purposes.

Tax Rates

Iowa taxable income is subject to the following rates determining tax liability.

Taxable Income		Tax Rates
First	$ 25,000	6%
Next	$ 75,000	8%
Next	$150,000	10%
Over	$250,000	12%

EXPLANATION OF TERMINOLOGY

Apportioning Corporations - Corporations which do business both within and without the state are taxed by Iowa on only the net income derived from this state. Such a corporation must apportion its business income to determine the portion of income which is subject to Iowa corporate income tax.

Nonapportioning Corporations - Those corporations which do all their business or trade within the state.

TABLE 1 (cont)

Subchapter S Corporations - A Subchapter S corporation is one which elects to have the shareholders report the income and pay any tax due on their individual income tax returns rather than paying under the corporation income tax.

Pay and No Pay Returns - If a corporation has a tax liability greater than zero, it is classified as a pay return. No pay returns have zero tax liability.

Resident and Nonresident Corporations - Residency is determined by the mailing address from which the return was filed, and refers to the status of being located in the state or out of the state.

Business Class - Data in the report is grouped according to the major business activity indicated by the taxpayer. The data reported in one category may include business activity from another type of activity and therefore, should not be considered as an absolute indicator of business activity by a business class.

STATE OF IOWA

IOWA CORPORATION INCOME TAX RETURN

To Be Used for Calendar Year 1985 or

Fiscal Year Beginning _____ 19____ Ending _____ 19____

(Please type or print)

IA 1120 **1985**

Corporation Name and Address	A Fed. Emp. I.D. No. •	Do Not Use This Space
	B County No. / C Business Code	
	D Basis of Return: Cash ☐ Accrual ☐	

Type of Return: (Check one) **REGULAR** ☐ **COOPERATIVE (IRC §6072d)** ☐ **REIT** ☐

Was the federal net income or tax for any prior period adjusted during the current period? YES ☐ NO ☐

Indicate years _____ **Submit copies of federal audits under separate cover.**

IMPORTANT: Attach a complete copy of your Federal Return filed with the Internal Revenue Service. All applicable lines on pages 1 and 2 must be completed for the Department to accept the return.

NET INCOME

1	NET INCOME from federal return		1
2	FEDERAL TAX (enter 50% of federal tax)		2
3	BALANCE (subtract line 2 from line 1)		3
4	FEDERAL SECURITIES (interest and dividends)	4	
5	OTHER REDUCTIONS (list)	5	
6	TOTAL REDUCTIONS (add lines 4 and 5)		6
7	BALANCE (subtract line 6 from line 3)		7
8	IOWA INCOME TAX taken as a deduction on federal return	8	
9	INTEREST AND DIVIDENDS exempt from federal income tax	9	
10	OTHER ADDITIONS (list)	10	
11	TOTAL increase to federal income (add lines 8, 9 and 10)		11
12	NET INCOME (add lines 7 and 11)		12

TAXABLE INCOME

13	NONBUSINESS INCOME (net allocable nonbusiness income)		13
14	INCOME SUBJECT TO APPORTIONMENT (subtract line 13 from line 12)		14
15	BUSINESS ACTIVITY RATIO (PART II, page 2) a. Gross within Iowa	15a	
	b. Gross within and without Iowa	15b	
	Divide line 15a by line 15b and enter the percentage carried to 6 decimal places		15 %
16	APPORTIONED INCOME (multiply line 14 by line 15)		16
17	NET NONBUSINESS INCOME allocable to Iowa (attach schedule AD-1)		17
18	TOTAL (add lines 16 and 17)		18
19	NET OPERATING LOSS DEDUCTION		19
20	IOWA TAXABLE INCOME (subtract line 19 from line 18)		20

TAX

21	TAX (see tax rates on page 2)		21
22	MINIMUM TAX (from PART III, page 2)		22
23	TOTAL TAX (add lines 21 and 22)		23
24	ESTIMATED TAX PAYMENTS	24	
25	TAX PAID WITH EXTENSIONS (attach copy)	25	
26	MOTOR FUEL TAX CREDIT (attach copy of IA 4136)	26	
27	IOWA RESEARCH ACTIVITIES/NEW JOBS CREDIT (attach IA 128)	27	
28	TOTAL CREDITS (add lines 24, 25, 26 and 27)		28
29	TAX DUE (if line 28 is less than line 23)		29
30	PENALTY (if underpayment penalty, check here ☐ and attach IA 2220)		30
31	INTEREST		31
32	TOTAL DUE (add lines 29, 30 and 31) **INCLUDE CHECK PAYABLE TO TREASURER, STATE OF IOWA**		32
33	OVERPAYMENT (if line 28 is greater than line 23)		33
34	REFUND (amount on line 33 to be refunded)		34
35	CREDIT TO ESTIMATED TAX (amount on line 33 to be credited)	35	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, the declaration is based on all information of which there is any knowledge.

Date _____ Signature of officer _____ Title _____

Date _____ Signature of individual or firm preparing the return _____ Preparer's Address _____ F.E.I. or Soc. Sec. No.

IMPORTANT:

Members of consolidated federal groups must include a copy of the consolidated federal return, including consolidating income statements as filed with the Internal Revenue Service.

MAIL YOUR RETURN TO:
CORPORATION TAX RETURN PROCESSING
IOWA DEPARTMENT OF REVENUE
POST OFFICE BOX 10468
DES MOINES, IOWA 50306

PART I: ADDITIONAL INFORMATION

a) Whom may we contact regarding this return?

Name _____ Phone _____

b) Year business was started in Iowa? _____

c) Name used on the 1984 return? _____

_____

d) F.E.I. number on 1984 return? _____

e) Foreign corporation
1. Date qualified
2. Principal Iowa location
Name

City Zip

f) Net income subject to Iowa tax for three preceding years?
1982 _____ 1983 _____
1984 _____

	YES	NO
g) Is your business carried on entirely within Iowa?		
h) Is this an initial, final or short period return?		
i) Have you ever filed as a S-corporation?		
Last year filed _____		
j) Is this a consolidated Iowa return?		
k) Does this corporation file as a member of a consolidated group for federal purposes?		
l) Name of common parent corporation filing consolidated federal return? _____		

PART II: COMPUTATION OF BUSINESS ACTIVITY RATIO, Schedule AD-2 (see instructions on page 3)

TYPE OF BUSINESS INCOME	GROSS WITHIN IOWA	GROSS WITHIN AND WITHOUT IOWA
a) Gross Receipts		
b) Net Dividends		
c) Tax Exempt Interest		
d) Interest on Accounts Receivable		
e) Other Interest		
f) Rent		
g) Royalties, Natural Resources		
h) Royalties, Patents, etc.		
i) Other (Attach schedule)		
TOTAL	ENTER IN 15a	ENTER IN 15b

PART III: MINIMUM TAX (see instructions on page 3)

a) Enter federal minimum tax If a member of a consolidated federal return, see instructions	
b) Apportionment factor from line 15, page 1 on Form IA 1120	%
c) Minimum tax apportioned to Iowa Multiply line a by line b	
d) Iowa Minimum Tax 70% of line c and enter on line 22, page 1 on Form IA 1120	

PART IV: TAX RATES

Taxable income on line 20:

OVER	BUT NOT OVER	TAX RATE	ON EXCESS OVER	
$ 0	$ 25,000	6%	$ 0	
$ 25,000	$ 100,000	$ 1,500 + 8%	$ 25,000	Use separate
$ 100,000	$ 250,000	$ 7,500 + 10%	$ 100,000	computation schedule
$ 250,000		$ 22,500 + 12%	$ 250,000	when annualization applies

NOTE: State tax information may be disclosed to tax officials of another state or of the United States for tax administration purposes.

TABLE 3

TOTAL CORPORATION PAY RETURNS AND TAX (1)(2)
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Income Subject To Tax	State Tax
$ 0-$ 25,000	10,823	$3,050,766,979	$ 269,886,175	$2,777,600,165	$ 90,389,149	$ 5,423,348.94
$ 25,001-$ 50,000	2,771	1,653,064,969	187,368,972	1,428,677,466	99,937,473	6,609,497.84
$ 50,001-$ 75,000	1,172	1,133,282,873	174,620,894	950,908,382	70,968,411	5,091,472.88
$ 75,001-$ 100,000	550	1,182,971,832	156,068,755	1,055,094,211	46,894,236	3,476,538.88
$ 100,001-$ 150,000	417	1,450,946,451	144,479,007	1,320,181,691	50,664,531	4,023,953.10
$ 150,001-$ 200,000	195	1,905,461,354	157,250,441	1,716,815,912	33,711,971	2,883,697.10
$ 200,001-$ 250,000	119	1,523,909,464	153,859,619	1,425,701,763	26,782,123	2,380,712.30
$ 250,001-$ 300,000	88	2,146,702,832	307,777,151	1,848,086,703	23,954,088	2,214,490.56
$ 300,001-$ 400,000	126	2,387,105,919	322,444,279	2,033,407,273	43,717,438	4,295,611.60
$ 400,001-$ 500,000	66	1,333,480,314	182,520,324	1,254,364,462	29,959,158	3,088,980.30
$ 500,001-$ 750,000	89	3,801,845,437	415,198,826	3,337,091,728	54,384,779	5,845,537.00
$ 750,001-$1,000,000	63	5,429,172,292	698,008,246	4,722,747,054	53,975,376	6,004,545.12
$1,000,001-$2,000,000	64	7,891,709,332	885,513,925	8,012,697,735	87,652,163	10,038,259.56
$ Over-$2,000,000	81	33,285,549,286	2,827,957,568	30,492,832,177	572,101,405	68,000,926.02
TOTAL PAY:	16,624	$68,175,969,334	$6,882,954,182	$62,376,206,722	$1,285,092,301	$129,377,571.20
No-Pay:	20,799					
Subchapter S:	9,859					
GRAND TOTAL:	47,282					

(1) Does not contain $20.8 million of corporation income tax collected during Iowa's Tax Amnesty Program 1986.
(2) During calendar 1986, there were 67 corporations who claimed $445,258.66 for Ia Research Activities/New Job Credit.

TABLE 4

TOTAL CORPORATION PAY RETURNS AND TAX
BY BUSINESS CLASS

Business Class	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Income Subject To Tax	State Tax
Agriculture	2,234	$ 243,932,410	$ 27,233,843	$ 206,549,199	$ 73,895,996	$ 6,076,755.96
Mining	53	869,115,224	36,699,911	1,055,319,871	6,803,939	641,587.50
Construction	1,286	671,461,460	41,861,518	645,052,581	45,790,520	3,773,662.08
Manufacturing	1,704	48,029,699,051	4,567,842,070	43,910,337,035	425,690,441	46,439,234.78
Utilities and Transportation	824	3,705,499,419	364,821,250	3,403,450,556	236,251,552	26,675,290.50
Wholesale Trade	1,674	4,000,588,268	677,833,824	3,338,160,644	103,519,700	9,446,616.94
Retail Trade	2,849	5,006,324,541	713,916,959	4,515,281,744	148,344,980	13,757,283.42
Finance	2,238	3,030,752,155	203,304,449	2,702,794,512	144,160,849	14,644,546.94
Services	3,670	2,534,526,823	238,544,790	2,526,096,328	98,445,751	7,742,219.90
Miscellaneous	90	84,069,983	10,895,568	73,164,252	2,188,573	180,373.18
TOTAL PAY:	16,624	$ 68,175,969,334	$ 6,882,954,182	$ 62,376,206,722	$1,285,092,301	$ 129,377,571.20
No-Pay:	20,799					
Subchapter S:	9,859					
GRAND TOTAL:	47,282					

TABLE 5

RESIDENT CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Income Subject To Tax	State Tax
$ 0-$ 25,000	8,967	$ 160,627,190	$ 16,411,372	$ 147,848,183	$ 77,913,406	$ 4,674,804.36
$ 25,001-$ 50,000	2,444	154,475,269	15,002,508	143,497,817	88,199,462	5,833,956.96
$ 50,001-$ 75,000	1,011	95,644,720	9,490,293	85,555,937	61,128,164	4,384,753.12
$ 75,001-$ 100,000	446	61,955,491	7,563,231	55,724,226	37,938,115	2,812,049.20
$ 100,001-$ 150,000	295	66,556,829	9,628,822	57,828,658	35,569,438	2,819,443.80
$ 150,001-$ 200,000	111	50,653,298	3,028,462	43,781,631	19,168,009	1,639,300.90
$ 200,001-$ 250,000	66	23,938,893	3,613,405	21,455,517	15,043,039	1,339,303.90
$ 250,001-$ 300,000	42	16,718,041	2,531,159	15,391,765	11,404,330	1,053,519.60
$ 300,001-$ 400,000	58	105,440,463	21,021,470	86,132,242	19,904,571	1,953,548.52
$ 400,001-$ 500,000	26	22,059,687	3,708,612	18,907,945	11,648,990	1,202,878.80
$ 500,001-$ 750,000	39	151,126,803	31,785,535	135,262,943	24,060,430	2,594,751.60
$ 750,001-$1,000,000	12	133,837,243	24,982,070	117,645,903	10,081,611	1,119,793.32
$1,000,001-$2,000,000	13	168,066,468	34,604,105	135,632,557	17,451,940	1,996,732.80
Over-$2,000,000	18	471,065,796	73,233,082	389,869,355	222,646,991	26,582,638.92
TOTAL PAY:	13,548	$ 1,682,166,191	$ 261,604,126	$ 1,454,534,679	$ 652,158,496	$ 60,007,475.80
No-Pay:	16,229					
Subchapter S:	9,244					
GRAND TOTAL:	39,021					

TABLE 6

NONRESIDENT CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Income Subject To Tax	State Tax
$ 0-$ 25,000	1,856	$ 2,890,139,789	$ 253,474,803	$ 2,629,751,982	$ 12,475,743	$ 748,544.58
$ 25,001-$ 50,000	327	1,498,589,700	172,366,464	1,285,179,649	11,738,011	775,540.88
$ 50,001-$ 75,000	161	1,037,638,153	165,130,601	865,352,445	9,840,247	706,719.76
$ 75,001-$ 100,000	104	1,121,016,341	148,505,524	999,369,985	8,956,121	664,489.68
$ 100,001-$ 150,000	122	1,384,389,622	134,850,185	1,262,353,033	15,095,093	1,204,509.30
$ 150,001-$ 200,000	84	1,854,808,056	149,221,979	1,673,034,281	14,543,962	1,244,396.20
$ 200,001-$ 250,000	53	1,499,970,571	150,246,214	1,404,246,246	11,739,084	1,041,408.40
$ 250,001-$ 300,000	46	2,129,984,791	305,245,992	1,832,694,938	12,549,758	1,160,970.96
$ 300,001-$ 400,000	68	2,281,665,456	301,422,809	1,947,275,031	23,812,867	2,342,063.08
$ 400,001-$ 500,000	40	1,311,420,627	178,811,712	1,235,456,517	18,310,168	1,886,101.50
$ 500,001-$ 750,000	50	3,650,718,634	383,413,291	3,201,828,785	30,324,349	3,250,785.40
$ 750,001-$1,000,000	51	5,295,335,049	673,026,176	4,605,101,151	43,893,765	4,884,751.80
$1,000,001-$2,000,000	51	7,723,642,864	850,909,820	7,877,065,178	70,200,223	8,041,526.76
Over-$2,000,000	63	32,814,483,490	2,754,724,486	30,102,962,822	349,454,414	41,418,287.10
TOTAL PAY:	3,076	$ 66,493,803,143	$6,621,350,056	$ 60,921,672,043	$ 632,933,805	$ 69,370,095.40
No-Pay:	4,570					
Subchapter S:	615					
GRAND TOTAL:	8,261					

TABLE 7

TOTAL NONAPPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Income Subject To Tax	State Tax
$ 0-$ 25,000	8,433	$ 86,241,490	$ 4,613,856	$ 85,576,793	$ 73,519,304	$ 4,411,158.24
$ 25,001-$ 50,000	2,244	84,630,909	4,831,358	84,614,195	80,962,318	5,354,985.44
$ 50,001-$ 75,000	904	57,798,921	3,944,077	57,168,079	54,554,267	3,912,341.36
$ 75,001-$ 100,000	386	25,295,223	2,910,656	24,343,353	32,706,416	2,423,513.28
$ 100,001-$ 150,000	242	32,138,078	3,123,131	31,124,320	29,169,470	2,311,947.00
$ 150,001-$ 200,000	88	18,377,364	2,551,453	17,086,887	15,174,907	1,297,490.70
$ 200,001-$ 250,000	44	10,624,945	1,377,835	10,177,035	9,896,318	879,631.80
$ 250,001-$ 300,000	33	10,713,166	1,370,887	10,288,347	8,979,801	830,076.12
$ 300,001-$ 400,000	36	14,928,956	2,521,870	13,163,683	12,375,745	1,215,089.40
$ 400,001-$ 500,000	21	10,884,789	1,580,578	9,882,747	9,565,766	990,391.92
$ 500,001-$ 750,000	22	14,647,234	2,638,576	13,086,930	13,062,278	1,402,473.36
$ 750,001-$1,000,000	5	4,666,395	735,000	4,158,503	4,158,503	461,520.36
$1,000,001-$2,000,000	8	11,908,059	2,050,699	10,534,761	10,477,721	1,197,326.52
$ Over-$2,000,000	7	88,506,098	17,924,108	79,833,204	79,833,204	9,483,741.90
TOTAL PAY:	12,473	$ 471,361,627	$ 52,174,084	$ 451,038,837	$ 434,436,018	$ 36,171,687.40
No-Pay:	17,549					
Subchapter S:	9,859					
GRAND TOTAL:	39,881					

TABLE 8

TOTAL APPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Total Non-Business Income
$ 0-$ 25,000	2,390	$ 2,964,525,489	$ 265,272,319	$ 2,692,023,372	$ 382,532,975
$ 25,001-$ 50,000	527	1,568,434,060	182,537,614	1,344,063,271	118,503,569
$ 50,001-$ 75,000	268	1,075,483,952	170,676,817	893,740,303	21,900,173
$ 75,001-$ 100,000	164	1,157,676,609	153,158,099	1,030,750,858	126,238,265
$ 100,001-$ 150,000	175	1,418,808,373	141,355,876	1,289,057,371	144,395,457
$ 150,001-$ 200,000	107	1,887,083,990	154,698,988	1,699,729,025	49,008,151
$ 200,001-$ 250,000	75	1,513,284,519	152,481,784	1,415,524,728	53,342,775
$ 250,001-$ 300,000	55	2,135,989,666	306,406,264	1,837,798,356	193,959,000
$ 300,001-$ 400,000	90	2,372,176,963	319,922,409	2,020,243,590	181,003,027
$ 400,001-$ 500,000	45	1,322,595,525	180,939,746	1,244,481,715	86,761,482
$ 500,001-$ 750,000	67	3,787,198,203	412,560,250	3,324,004,798	555,354,304
$ 750,001-$1,000,000	58	5,424,505,897	697,273,246	4,718,588,551	682,947,698
$1,000,001-$2,000,000	56	7,879,801,273	883,463,226	8,002,162,974	973,479,152
Over-$2,000,000	74	33,197,043,188	2,810,033,460	30,412,[illegible]8,973	3,271,557,907
TOTAL PAY:	4,151	$ 67,704,607,707	$ 6,830,780,098	$61,925,167,885	$ 6,840,983,935
No-Pay:	3,250				
Subchapter S:	0				
GRAND TOTAL:	7,401				

TABLE 8 (Cont.)

TOTAL APPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Non-Business Income Assigned to Iowa	Income Apportioned to Iowa	Income Subject To Tax	State Tax
$ 0-$ 25,000	2,390	$ 67,614	$ 19,668,474	$ 16,869,845	$ 1,012,190.70
$ 25,001-$ 50,000	527	329,060	19,843,584	18,975,155	1,254,512.40
$ 50,001-$ 75,000	268	408,461	17,352,085	16,414,144	1,179,131.52
$ 75,001-$ 100,000	164	36,702	14,604,718	14,187,820	1,053,025.60
$ 100,001-$ 150,000	175	126,717	22,185,970	21,495,061	1,712,006.10
$ 150,001-$ 200,000	107	77,707	18,882,311	18,537,064	1,586,206.40
$ 200,001-$ 250,000	75	213,152	16,816,445	16,885,805	1,501,080.50
$ 250,001-$ 300,000	55	772	15,541,670	14,974,287	1,384,414.44
$ 300,001-$ 400,000	90	201,033	31,767,604	31,341,693	3,080,522.20
$ 400,001-$ 500,000	45	0	20,623,258	20,393,392	2,098,588.38
$ 500,001-$ 750,000	67	14,000	44,203,211	41,322,501	4,443,063.64
$ 750,001-$1,000,000	58	594,080	49,222,793	49,816,873	5,543,024.76
$1,000,001-$2,000,000	56	91,776	78,367,291	77,174,442	8,840,933.04
Over-$2,000,000	74	4,987,710	497,301,291	492,268,201	58,517,184.12
TOTAL PAY:	4,151	$ 7,148,784	$ 866,380,705	$ 850,656,283	93,205,883.80
No-Pay:	3,250				
Subchapter S:	0				
GRAND TOTAL:	7,401				

TABLE 9

RESIDENT APPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Total Non-Business Income
$ 0-$ 25,000	777	$ 78,231,677	$ 12,140,769	$ 65,849,308	$ 189,285
$ 25,001-$ 50,000	267	72,439,578	10,437,814	61,395,975	815,950
$ 50,001-$ 75,000	135	40,645,381	5,816,989	31,037,494	306,259
$ 75,001-$ 100,000	74	28,471,705	4,776,533	23,134,928	39,305
$ 100,001-$ 150,000	69	37,181,310	6,645,147	29,442,048	387,981
$ 150,001-$ 200,000	33	34,468,294	5,678,039	28,925,515	198,710
$ 200,001-$ 250,000	26	14,285,012	2,396,995	12,148,068	15,946
$ 250,001-$ 300,000	12	7,395,503	1,236,909	6,450,739	0
$ 300,001-$ 400,000	27	92,688,475	18,958,470	74,995,066	551,657
$ 400,001-$ 500,000	7	12,080,020	2,129,823	9,981,531	141,016
$ 500,001-$ 750,000	20	138,152,693	29,262,679	123,847,917	14,000
$ 750,001-$1,000,000	10	131,612,250	24,478,912	115,942,981	594,449
$1,000,001-$2,000,000	9	161,488,806	33,210,974	130,121,525	0
Over-$2,000,000	13	389,430,962	56,898,864	315,709,678	76,644
TOTAL PAY:	1,479	$ 1,238,571,666	$ 214,068,917	$ 1,028,982,773	$ 3,331,202
No-Pay:	1,010				
Subchapter S:	0				
GRAND TOTAL:	2,489				

TABLE 9 (Cont.)

RESIDENT APPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Bracket	No. of Returns	Non-Business Income Assigned to Iowa	Income Apportioned to Iowa	Income Subject To Tax	State Tax
$ 0-$ 25,000	777	$ 141,502	$ 7,590,399	$ 6,579,754	$ 394,785.24
$ 25,001-$ 50,000	267	324,368	10,222,728	9,658,551	639,184.08
$ 50,001-$ 75,000	135	278,418	8,665,207	8,293,868	596,009.44
$ 75,001-$ 100,000	74	36,702	6,609,469	6,428,489	477,279.12
$ 100,001-$ 150,000	69	119,482	8,799,237	8,437,513	671,251.30
$ 150,001-$ 200,000	33	77,707	5,649,674	5,685,081	486,008.10
$ 200,001-$ 250,000	26	15,946	6,000,361	6,016,307	536,630.70
$ 250,001-$ 300,000	12	0	3,391,158	3,258,817	301,058.04
$ 300,001-$ 400,000	27	1,937-	9,601,656	9,331,393	917,267.16
$ 400,001-$ 500,000	7	0	3,039,557	3,039,557	312,246.84
$ 500,001-$ 750,000	20	14,000	13,043,039	12,645,404	1,367,448.48
$ 750,001-$1,000,000	10	338,283	8,040,406	8,378,689	930,442.68
$1,000,001-$2,000,000	9	0	12,943,058	11,955,095	1,367,111.40
Over-$2,000,000	13	76,544	158,538,151	148,487,314	17,720,977.68
TOTAL PAY:	1,479	$ 1,421,115	$ 262,134,100	$248,195,832	$ 26,717,700.26
No Pay:	1,010				
Subchapter S:	0				
GRAND TOTAL:	2,489				

TABLE 10

NONRESIDENT APPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Brackets	No. of Returns	Net Income Per Federal Return	50% of Federal Income Tax	Adjusted Net Income	Total Non-Business Income
$ 0-$ 25,000	1,613	$ 2,886,293,812	$ 253,131,550	$ 2,626,174,064	$ 382,343,690
$ 25,001-$ 50,000	260	1,495,994,482	172,099,800	1,282,667,296	117,687,619
$ 50,001-$ 75,000	133	1,034,838,571	164,859,828	862,702,809	21,593,914
$ 75,001-$ 100,000	90	1,129,204,904	148,381,566	1,007,615,930	126,198,960
$ 100,001-$ 150,000	106	1,381,627,063	134,710,729	1,259,615,323	144,007,476
$ 150,001-$ 200,000	74	1,852,615,696	149,020,949	1,670,803,510	48,809,441
$ 200,001-$ 250,000	49	1,498,999,507	150,084,789	1,403,376,660	53,326,829
$ 250,001-$ 300,000	43	2,128,594,163	305,169,355	1,831,347,617	193,959,000
$ 300,001-$ 400,000	63	2,279,488,488	300,963,939	1,945,248,524	180,451,370
$ 400,001-$ 500,000	38	1,310,515,505	178,809,923	1,234,500,184	86,620,466
$ 500,001-$ 750,000	47	3,649,045,510	383,297,571	3,200,156,881	555,340,304
$ 750,001-$1,000,000	48	5,292,893,647	672,794,334	4,602,645,570	682,353,249
$1,000,001-$2,000,000	47	7,718,312,467	850,252,252	7,872,041,449	973,479,152
Over-$2,000,000	61	32,807,612,226	2,753,134,596	30,097,289,295	3,271,481,263
TOTAL PAY:	2,672	$ 66,466,036,041	6,616,711,181	$60,896,185,112	$ 6,837,652,733
No-Pay:	2,240				
Subchapter S:	0				
GRAND TOTAL:	4,912				

TABLE 10 (Cont.)

NONRESIDENT APPORTIONING CORPORATION PAY RETURNS AND TAX
BY TAXABLE INCOME

Taxable Income Brackets	No. of Returns	Non-Business Income Assigned to Iowa	Income Apportioned to Iowa	Income Subject To Tax	State Tax
$ 0-$ 25,000	1,613	$ 73,888	$ 12,078,075	$ 10,290,091	$ 617,405.46
$ 25,001-$ 50,000	260	4,692	9,620,856	9,316,604	615,328.32
$ 50,001-$ 75,000	133	130,043	8,686,878	8,120,276	583,122.08
$ 75,001-$ 100,000	90	0	7,995,249	7,759,331	575,746.48
$ 100,001-$ 150,000	106	7,235	13,386,733	13,057,548	1,040,754.80
$ 150,001-$ 200,000	74	0	13,232,637	12,851,983	1,100,198.30
$ 200,001-$ 250,000	49	197,206	10,816,084	10,869,498	964,449.80
$ 250,001-$ 300,000	43	772	12,150,512	11,715,470	1,083,356.40
$ 300,001-$ 400,000	63	202,970	22,165,948	22,010,300	2,163,255.04
$ 400,001-$ 500,000	38	0	17,583,701	17,353,835	1,786,341.54
$ 500,001-$ 750,000	47	0	31,160,172	28,677,097	3,075,615.16
$ 750,001-$1,000,000	48	255,797	41,182,387	41,438,184	4,612,582.08
$1,000,001-$2,000,000	47	91,776	65,424,233	65,219,347	7,473,821.64
Over-$2,000,000	61	4,911,066	338,763,140	343,780,887	40,796,206.44
TOTAL PAY:	2,672	$ 5,727,669	$ 604,246,605	$ 602,460,451	$ 66,488,183.54
No-Pay:	2,240				
Subchapter S:	0				
GRAND TOTAL:	4,912				

TABLE 11

TOTAL CORPORATION PAY RETURNS AND TAX
BY COUNTY

County	No. of Pay Returns	% of Total	State Tax	% of Total	County	No. of Pay Returns	% of Total	State Tax	% of Total
Adair	35	.21%	$ 86,020.54	.07%	Cherokee	52	.31%	$ 82,269.34	.06%
Adams	18	.11	19,515.72	.01	Chickasaw	60	.36	74,510.44	.06
Allamakee	52	.31	104,922.98	.08	Clarke	21	.13	20,384.98	.02
Appanoose	40	.24	2,174,855.44	1.67	Clay	119	.72	218,443.40	.17
Audubon	24	.14	26,348.54	.02	Clayton	89	.54	136,486.04	.10
Benton	98	.59	134,916.08	.10	Clinton	234	1.41	440,566.26	.34
Black Hawk	567	3.41	1,517,849.48	1.17	Crawford	62	.37	132,733.90	.10
Boone	132	.79	999,702.14	.77	Dallas	119	.72	202,166.44	.16
Bremer	114	.69	294,379.52	.23	Davis	21	.13	38,371.96	.03
Buchanan	80	.48	217,570.92	.17	Decatur	18	.11	20,626.32	.02
Buena Vista	103	.62	274,184.94	.21	Delaware	62	.37	98,141.58	.08
Butler	63	.38	107,587.90	.08	Des Moines	210	1.26	376,884.24	.29
Calhoun	47	.28	55,761.88	.04	Dickinson	77	.46	135,667.56	.10
Carroll	128	.77	615,025.80	.47	Dubuque	416	2.50	3,654,656.74	2.81
Cass	96	.58	160,551.48	.12	Emmet	43	.26	54,539.90	.04
Cedar	91	.55	162,662.88	.12	Fayette	96	.58	164,918.72	.13
Cerro Gordo	239	1.44	609,822.44	.47	Floyd	84	.51	201,966.72	.16

TABLE 11 (Cont.)

TOTAL CORPORATION PAY RETURNS AND TAX
BY COUNTY

County	No. of Pay Returns	% of Total	State Tax	% of Total	County	No. of Pay Returns	% of Total	State Tax	% of Total
Franklin	78	.47%	$ 324,444.88	.25%	Johnson	356	2.14%	$ 800,233.74	.61%
Fremont	36	.22	76,584.60	.06	Jones	78	.47	142,709.96	.11
Greene	58	.35	128,471.56	.10	Keokuk	57	.34	124,758.38	.10
Grundy	81	.49	160,018.78	.12	Kossuth	67	.40	164,781.46	.13
Guthrie	53	.32	103,204.82	.08	Lee	141	.85	409,798.66	.31
Hamilton	80	.48	215,054.90	.17	Linn	908	5.46	4,232,011.96	3.25
Hancock	51	.31	142,431.10	.11	Louisa	51	.31	83,520.80	.06
Hardin	129	.78	375,973.40	.29	Lucas	31	.19	80,944.02	.06
Harrison	46	.28	69,050.78	.05	Lyon	54	.32	145,837.92	.11
Henry	152	.91	247,348.48	.19	Madison	33	.20	52,193.60	.04
Howard	48	.29	44,415.10	.03	Mahaska	96	.58	170,884.52	.13
Humboldt	63	.38	95,589.24	.07	Marion	154	.93	411,910.56	.32
Ida	37	.22	145,262.98	.11	Marshall	199	1.20	549,661.70	.42
Iowa	59	.35	268,704.90	.21	Mills	50	.30	81,486.24	.06
Jackson	76	.46	121,398.44	.09	Mitchell	31	.19	67,947.42	.05
Jasper	168	1.01	532,719.76	.41	Monona	46	.28	119,237.52	.09
Jefferson	88	.53	159,635.54	.12	Monroe	20	.12	26,663.14	.02

TABLE 11 (Cont.)

TOTAL CORPORATION PAY RETURNS AND TAX
BY COUNTY

County	No. of Pay Returns	% of Total	State Tax	% of Total	County	No. of Pay Returns	% of Total	State Tax	% of Total
Montgomery	75	.45%	$ 134,287.08	.10%	Tama	74	.45%	$ 139,923.94	.11%
Muscatine	174	1.04	460,485.98	.35	Taylor	20	.12	15,844.20	.01
O'Brien	86	.52	149,185.70	.11	Union	49	.29	75,419.16	.06
Osceola	38	.23	70,256.60	.05	Van Buren	30	.18	43,522.38	.03
Page	56	.34	98,278.84	.08	Wapello	121	.73	319,867.16	.25
Palo Alto	59	.35	83,268.34	.06	Warren	111	.67	198,919.74	.15
Plymouth	115	.69	347,493.82	.27	Washington	118	.71	254,165.26	.20
Pocahontas	71	.43	103,286.32	.08	Wayne	17	.10	43,858.90	.03
Polk	2,159	12.98	18,139,802.60	13.95	Webster	233	1.39	658,200.32	.51
Pottawattamie	329	1.98	505,681.36	.39	Winnebago	58	.35	160,470.02	.12
Poweshiek	112	.67	249,038.94	.19	Winneshiek	81	.49	314,977.60	.24
Ringgold	15	.09	6,479.00	.00	Woodbury	465	2.79	4,114,354.32	3.15
Sac	106	.64	452,809.80	.35	Worth	21	.13	27,315.12	.02
Scott	767	4.60	7,328,792.32	5.64	Wright	63	.38	77,591.12	.06
Shelby	84	.51	139,020.10	.11	Nonresident	3,076	18.49	69,873,336.40	53.70
Sioux	131	.79	394,990.70	.30	GRAND TOTAL	16,624	100.00%	$130,141,408.20	100.00
Story	325	1.96	670,580.98	.52					

TABLE 12

SUMMARY OF THE IOWA FRANCHISE TAX LAW

Taxable Institutions

Since 1971, financial institutions have been subject to a franchise tax measured by income. The franchise tax is measured by the amount of net income, and is imposed by the State of Iowa on financial institutions for the privilege of doing business in the state. A financial institution is defined as a state bank or a national banking association having its principal office within this state, a trust company, a federally chartered savings and loan association, a financial institution chartered by the federal home loan bank board, a production credit association, or a savings and loan association incorporated or authorized to do business under Iowa law.

Taxable Income

For tax years beginning on or after January 1, 1980, these organizations must pay a franchise tax on their net income, the same as computed for Iowa corporate income tax purposes with the following adjustments.

1. A deduction is not allowed for interest and dividends on federal securities.
2. A deduction is not allowed for federal income taxes paid or accrued during the tax year.

Tax Rate

The taxable income, as computed above, is subject to a rate of five percent on all income.

Allocation of Revenue

Franchise tax net receipts act as both a state and a local revenue source. On a quarterly basis, 55 percent of franchise tax receipts are deposited in the state general fund. The remaining 45 percent of the receipts are distributed back to the cities and counties in which the financial institutions are located. For any given financial institution, 60 percent of the remaining 45 percent of its annual tax is distributed to the general fund of the city in which it is located and 40 percent is distributed to the general fund of the county in which it is located. For financial institutions with branch locations, the amount of tax distributed to the cities and counties in which the branches are located is based upon the percent of total business generated by that particular branch compared to the total business of the financial institution.

IA 1120F

IOWA FRANCHISE TAX RETURN
FOR FINANCIAL INSTITUTIONS
For the Calendar Year 1985 or

Fiscal Year Beginning _____ 19____ Ending _____ 19____

(Please type or print)

1985

Federal Employer I.D. Number

Name

Address

For Department of Revenue Use

Period

Transaction Code

Transaction Date

IMPORTANT—Attach a complete copy of your Federal Return filed with the Internal Revenue Service

INCOME COMPUTATION

1	TAXABLE INCOME PER FEDERAL RETURN (see instructions)		1	▲
2	INTEREST AND DIVIDENDS exempt from federal income tax	2 ▲		
3	IOWA FRANCHISE TAX	3 ▲		
4	OTHER ADDITIONS	4 ▲		
5	TOTAL ADDITIONS (add lines 2, 3 and 4)		5	
6	TOTAL (add lines 1 and 5)		6	
7	IOWA NET OPERATING LOSS	7 ▲		
8	OTHER REDUCTIONS (see instructions)	8 ▲		
9	TOTAL REDUCTIONS (add lines 7 and 8)		9	
10	IOWA NET INCOME subject to Franchise Tax (subtract line 9 from line 6)		10	▲

TAX COMPUTATION

11	COMPUTED TAX — 5% of line 10		11	
12	MINIMUM TAX		12	▲
13	TOTAL TAX		13	
14	ESTIMATED TAX PAYMENTS	14		
15	TAXES PAID WITH EXTENSIONS (attach copy)	15		
16	TOTAL (add lines 14 and 15)		16	
17	TAX DUE (subtract line 16 from line 13)		17	▲
18	PENALTY (see instructions)		18	▲
19	INTEREST (see instructions)		19	▲
20	TOTAL DUE (add lines 17, 18 and 19) Make check payable to "Treasurer, State of Iowa". Do not send cash by mail		20	▲
21	OVERPAYMENT		21	
22	AMOUNT TO BE REFUNDED		22	
23	CREDIT TO 1986 ESTIMATED TAX	23 ▲		

ALLOCATION DATA

Name of Financial Institution	City and State	County Name or Number	Business Activity	For Department Use	
					▲
					▲
					▲
					▲
					▲
					▲
					▲
					▲

BUSINESS ACTIVITY RATIO FOR ALL OFFICES MUST BE LISTED AND MUST TOTAL 100%

A. Does any [illegible] one of a consolidated group for federal income tax purposes? ☐ Yes ☐ No
Name of the corporation [illegible] a consolidated federal return

B. [illegible] ☐ Yes ☐ No

C. [illegible]

D. [illegible]

E. Was the federal net income tax for any prior years adjusted during the current period? ☐ Yes ☐ No
State Years of
Federal audit
Amended federal return
Net [illegible] Explain [illegible]
Name used on 1984 return

F. Federal I.D. number on 1984 return

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, the declaration is based on all information of which the preparer has any knowledge.

GENERAL INSTRUCTIONS

WHO SHALL FILE. Financial institutions as defined below must complete and file a franchise tax return. A state bank as defined in Chapter 524, section 103, subsection 19; a trust company; a national banking association having its principal office within Iowa; a production credit association; a federally chartered savings and loan association; a financial institution chartered by the Federal Home Loan Bank Board; or an association incorporated or authorized to do business under Chapter 534 of the Iowa Code.

WHEN TO FILE. Franchise tax returns are to be filed no later than the last day of the fourth month following the close of the financial institution's taxable year.

WHERE TO FILE. Mail your return to FRANCHISE TAX RETURN PROCESSING, IOWA DEPARTMENT OF REVENUE, POST OFFICE BOX 10413, DES MOINES, IOWA 50306.

EXTENSION OF TIME TO FILE. An automatic six-month extension of time to file the Iowa Franchise Tax Return can be obtained on Form IA 7004F for 1985.

SPECIFIC INSTRUCTIONS

1. TAXABLE INCOME PER FEDERAL RETURN. Enter the amount of federal taxable income computed after dividend credit but before net operating loss.
2. INTEREST AND DIVIDENDS. Enter total interest and dividends from evidences of indebtedness and from securities of state and other political subdivisions exempt from federal income tax. If amount on this line differs from the amount shown on line 7 of Federal Schedule M, a schedule reconciling the two amounts must be supplied.
3. IOWA FRANCHISE TAX. Enter the amount of Iowa franchise tax deducted on your federal return.
4. OTHER ADDITIONS. List other additions to Iowa income. These include federal deductions related to sale-leaseback, safe harbor lease, transactions. The deductions related to safe harbor leases which are not allowed for Iowa franchise tax purposes are depreciation (ACRS) and interest payments for the lessor and lease payments for the lessee.
5. TOTAL ADDITIONS. Add lines 2, 3 and 4 and enter the total.
6. TOTAL. Add lines 1 and 5 and enter the total.
7. IOWA NET OPERATING LOSS. Enter the amount of Iowa net operating loss deduction.
8. OTHER REDUCTIONS. Enter the amount of the JOBS TAX credit allowable under Section 44B of IRC (1954) to the extent that the credit increased federal taxable income. (Attach computation schedule.) Enter the amount of income included in federal taxable income because of sale-leaseback, safe harbor lease, transactions. The lessee in a sale-back lease, safe harbor lease, transaction should also enter the amount of depreciation (ACRS) on the cost basis of the asset.

   For tax years beginning on or after January 1, 1984, qualifying small business corporations may take an additional deduction of 50% of wages paid in the first 12 months to new employees who qualify as handicapped or convicted felons. Contact the nearest Department of Revenue office for specific information on qualifications.
9. TOTAL DEDUCTIONS. Add lines 7 and 8 and enter the total.
10. IOWA NET INCOME. Subtract line 9 from line 6 and enter the tax difference.
11. COMPUTED TAX. Enter the amount of computed tax which is 5% of line 10.
12. MINIMUM TAX. Enter the amount of Iowa minimum tax. For tax years beginning on or after January 1, 1983 the Iowa minimum tax is 70% of the federal minimum tax. Where an financial institution joins in the filing of a consolidated federal corporation income tax return, the consolidated federal minimum tax shall be prorated to the separate companies by multiplying the sum of the separate company tax preference items by the amount of the consolidated tax preference items.
13. TOTAL TAX. (Add lines 11 and 12 and enter the total.)
14. ESTIMATED TAX PAYMENTS. Enter the amount of estimated tax paid for the current year.
15. TAXES PAID WITH EXTENSIONS. Enter the amount of previous payments for the current year paid with the filing of an extension. If this is an amended return, include the amount paid with the original return.
16. TOTAL CREDITS. (Add lines 14 and 15 and enter the total.)
17. TAX DUE. (Subtract line 16 from line 13.) If this amount is an overpayment, go to line 21. Otherwise, proceed to line 18 and enter the amount on line 17.
18. PENALTY. If a late return is being filed, a penalty of 5% per month, not to exceed 25%, of the tax due shall be added. Interest at the rate of 1% per month shall be added to the unpaid tax for each month or fraction thereof. This penalty applies to all taxes due and payable after December 31, 1981, and cannot be waived (not to exceed 25% in any case).

   A financial institution having failed to file a timely declaration of estimated tax is subject to an underpayment of estimated tax penalty in addition to the tax.
19. INTEREST. For each month that payment of tax is not paid, interest accrues on the unpaid tax at a rate prescribed by statute from the due date of the return until payment is received.
20. TOTAL DUE. Add lines 17, 18 and 19 and enter the total. Make check payable to: Treasurer, State of Iowa. Do not send cash by mail.
21. OVERPAYMENT. Enter the amount of tax overpaid.
22. REFUND. Enter the amount of overpayment to be refunded.
23. CREDIT. Enter the amount of overpayment to be credited to future tax liabilities.

NOTE: A taxpayer may elect to carry forward an overpayment to future tax years or have it refunded.

INFORMATION DISCLOSURE. State tax information may be disclosed to tax officials of another state or the federal government for tax administration purposes.

ATTACH COPY OF FEDERAL RETURN AND SUPPORTING SCHEDULES AS INDICATED

ALLOCATION DATA FOR FRANCHISE TAX

All financial institutions must complete the "Allocation Data for Franchise Tax" schedule. If a financial institution has more than one office, all of the information requested on the schedule on the front side designated "Allocation Data for Franchise Tax" must be provided. If the schedule is not applicable to your business, indicate on the return allocation schedule that it is not. If more information is provided on a separate schedule, include the same information as indicated on the return allocation schedule.

Name of Financial Institution — Enter the name of each office which transacts business for the financial institution. The principal office of the financial institution should be entered on the first line of the schedule.

City and State — Enter the city and state where each office of the financial institution is located.

County — Enter the county name or number where each office of the financial institution is located. If a bank or institution has an office outside the state of Iowa, the county name or number of the next-of-state office should be entered on the schedule.

Business Activity — The percentage of business activity carried on by each office listed on the schedule shall be determined for business activity assigned to Iowa. All financial institutions with the exception of Production Credit Associations, shall determine their business activity assigned to Iowa by dividing the total receipts of each office located in Iowa by the total receipts of all offices wherever located. Receipts shall be determined in accordance with generally accepted accounting principles. Production Credit Associations shall determine their business activity by dividing the total receipts of each office located in Iowa by the total receipts of all offices wherever located.

IMPORTANT. After listing all office names, city, state and county locations and business activity percentages, verify that the business activity percentages total 100%.

TABLE 14

TOTAL FRANCHISE TAX PAY RETURNS AND TAX
BY TAXABLE INCOME

For Year Ending December 31, 1986

Taxable Income Bracket	No. of Returns	Federal Taxable Income	Interest and Dividends Exempt Federal Tax	Income Subject To Tax	State Tax
$ 0-$ 25,000	12	$ (162,639)	$ 334,567	$ 143,487	$ 7,174.35
$ 25,001-$ 50,000	16	(366,094)	1,150,282	607,850	39,970.75
$ 50,001-$ 75,000	14	251,315	548,742	834,460	41,972.95
$ 75,001-$ 100,000	15	(3,699,209)	4,869,160	1,315,845	65,888.90
$ 100,001-$ 150,000	40	2,608,935	2,235,521	4,954,767	251,935.35
$ 150,001-$ 200,000	51	3,939,645	4,660,755	8,893,763	447,066.15
$ 200,001-$ 250,000	46	4,135,066	5,723,377	10,214,528	519,398.45
$ 250,001-$ 500,000	126	22,313,491	21,154,281	45,232,760	2,277,041.65
$ 500,001-$ 750,000	49	13,442,607	16,003,076	30,008,899	1,502,964.15
$ 750,001-$1,000,000	22	9,894,638	8,843,704	19,577,934	979,175.80
$ Over-$1,000,000	49	54,234,708	73,749,983	133,279,478	6,709,661.40
SUB TOTAL:	440	$ 106,592,463	$ 139,273,448	$ 255,063,771	$ 12,842,249.90
No-Pay:	278				
GRAND TOTAL:	718				

E R R A T A

Correction of pagination of The "Table of Contents" - starting with Table 3, page numbers should be increased by one. For example, page 16 becomes page 17.